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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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COMMISSIONERS

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL



IN THE MATTER OF:

DOCKET NO. S-20757A-10-0373

RICHARD M. SCHMERMAN, individually and
d/b/a Diversified Financial and/or Diversified
Financial Planners, and Amy Schmerman, husband
and wife.

RESPONDENTS.

EIGHTH
PROCEDURAL ORDER
(Schedules Status Conference)

BY THE COMMISSION:

On September 9, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Richard M. Schmerman d/b/a Diversified Financial and/or Diversified Financial Planners ("Diversified") and Amy Schmerman, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") and the Investment Management Act ("IM Act") in connection with Respondent Richard A. Schmerman's practices in business and securities matters which allegedly involved mishandling of client funds and misrepresentation.

The Respondents were duly served with copies of the Notice.

On September 20, 2010, a request for hearing was filed by the Respondents.

On September 22, 2010, by Procedural Order, a pre-hearing conference was scheduled on October 21, 2010.

On October 21, 2010, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties are discussing a possible resolution of the issues raised by the Notice, but have agreed in the interim that a status conference be scheduled in approximately 60 days.

On October 22, 2010, by Procedural Order, a status conference was scheduled on December 16, 2010.

On December 16, 2010, the Division and Respondents appeared through counsel at the status

1 conference. The parties were continuing to discuss a resolution of the proceeding and in the interim,
2 the Division requested that another status conference be scheduled in approximately 60 days.

3 On December 16, 2010, by Procedural Order, a status conference was scheduled on February
4 23, 2011.

5 On February 22, 2011, the Division and Respondents filed a Joint Stipulation to Continue the
6 status conference for at least 60 days in order that the parties could continue to review matters and
7 attempt to resolve the issues raised by the Notice.

8 On February 23, 2011, by Procedural Order, the status conference was continued from
9 February 23, 2011, to April 25, 2011.

10 On April 22, 2011, the Division and Respondents filed another Joint Stipulation to Continue
11 the status conference for at least 60 days to allow the parties to continue to work towards a settlement
12 of the issues raised by the Notice.

13 On April 25, 2011, by Procedural Order, the status conference was continued from April 25,
14 2011, to July 7, 2011.

15 On July 5, 2011, the Division and Respondents filed another Joint Stipulation to Continue the
16 status conference for at least 60 days to allow the parties to continue to work towards a settlement of
17 the issues raised by the Notice. Subsequently, by Procedural Order, the status conference was
18 continued from July 7, 2011, to September 8, 2011.

19 On September 7, 2011, the Division and Respondents filed another Joint Stipulation to
20 Continue the status conference for sixty days or more to allow the parties to review additional
21 documentation and to discuss a possible resolution of the proceeding. Subsequently, by Procedural
22 Order, the status conference was continued to November 17, 2011.

23 On November 17, 2011, the Division and Respondents appeared through counsel. The
24 Division is preparing to file a Motion to Amend the Notice adding additional allegations against
25 Respondents. The Division and Respondents are continuing to discuss a possible resolution of the
26 proceeding, but in the interim counsel agreed that an additional status conference be scheduled in
27 March 2012.

28 Accordingly, a status conference should be scheduled as agreed between the parties.

1 IT IS THEREFORE ORDERED that a **status conference shall be held on March 12, 2012,**
2 **at 10:00 a.m.,** at the Commission's offices, 1200 West Washington Street, **Room 100,** Phoenix,
3 Arizona.

4 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized
5 Communications) applies to this proceeding as the matter is now set for public hearing.

6 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance
7 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
8 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
9 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
10 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
11 Administrative Law Judge or the Commission.

12 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
13 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro*
14 *hac vice*.

15 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
16 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

17 DATED this 21ST day of November, 2011.

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MARC E. STERN
ADMINISTRATIVE LAW JUDGE

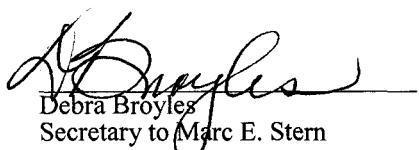
23 Copies of the foregoing mailed/delivered
this 21ST day of November, 2011 to:

24 Alan Baskin
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By:


Debra Broyles
Secretary to Marc E. Stern